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Financing of the United Nations Interim Administration Mission in Kosovo

Financial performance report of the United Nations Interim Administration Mission in Kosovo

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 10 June 1999 to 30 June 2000. The General Assembly, by its resolution 54/245 A of 23 December 1999, appropriated an amount of $427,061,800 gross ($410,091,700 net) for the establishment and maintenance of the Mission for the same period, inclusive of the amount of $200 million authorized by its resolution 53/241 of 28 July 1999.

Expenditures for the period totalled $361,789,800 gross ($352,231,400 net), excluding budgeted voluntary contributions in kind of $585,500, resulting in an unencumbered balance of $65,272,000 gross ($57,860,300 net).

The unencumbered balance resulted mainly under civilian personnel costs, due to higher than anticipated vacancy rates among civilian police and international and local staff.

The actions to be taken by the General Assembly in connection with the financing of the Mission are set out in paragraph 14 of the report.

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I. Introduction

1. By its resolution 1244 (1999) of 10 June 1999, the Security Council established the United Nations Interim Administration Mission In Kosovo (UNMIK). By the same resolution, the Council decided that the international civil and security presences in Kosovo were established for an initial period of 12 months, to continue thereafter unless the Council decides otherwise. The operational requirements of the Mission were set out in the reports of the Secretary-General to the Security Council of 12 June 1999 (S/1999/672), 12 July 1999 (S/1999/779), 16 September 1999 (S/1999/987 and Add.1), 23 December 1999 (S/1999/1250 and Add.1) and 3 March 2000 (S/2000/177 and Add.1-3).

2. The budget for the maintenance of UNMIK for the period from 10 June 1999 to 30 June 2000 was set out in the report of the Secretary-General of 22 October 1999 (A/54/494 and Corr.1) and amounted to $456,451,200 gross ($437,755,400 net), inclusive of budgeted voluntary contributions in kind amounting to $585,500. It provided for a strength of 38 military liaison officers, 4,718 civilian police, 1,269 international staff, 3,566 local staff, 18 National Officers and 203 United Nations Volunteers. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 55 of its report of 19 November 1999 (A/54/622), recommended that the General Assembly appropriate $427,061,800 gross for the period from 10 June 1999 to 30 June 2000.

3. The General Assembly, by its resolution 54/245 A of 23 December 1999, appropriated an amount of $427,061,800 gross ($410,091,700 net) for the establishment and maintenance of the Mission for the period from 10 June 1999 to 30 June 2000, inclusive of the amount of $200 million authorized by its resolution 53/241 of 28 July 1999. The total amount has been assessed on Member States.

II. Implementation of the budget

4. Information on the operations of UNMIK and on the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 12 June 1999 (S/1999/672), 12 July 1999 (S/1999/779), 16 September 1999 (S/1999/987 and Add.1), 23 December 1999 (S/1999/1250 and Add.1), 3 March 2000 (S/2000/177 and Add.1-3) and 6 June 2000 (S/2000/538 and Add.1).

5. During the period under review, UNMIK was established with broad and complex tasks to provide transitional administration for Kosovo, while establishing and overseeing the development of provisional democratic self-governing institutions to ensure conditions for a peaceful and normal life for all inhabitants of Kosovo. In coordination with the people of Kosovo, UNMIK performed all the basic administrative functions, such as banking, customs, health services, education, post and telecommunications, and organized municipal elections. UNMIK is cooperating with other international organizations as full partners under United Nations leadership.

6. During the reporting period, high vacancy rates among civilian personnel had the most significant impact on the implementation of the budget. The budget contained in document A/54/494 and Corr.1 included actual expenditures for the period from 10 June to 31 August 1999 and estimated costs for the period from 1

September 1999 to 30 June 2000. This format was in accordance with the provisions of resolution 53/241, in which the General Assembly requested information on the utilization of resources until the time of the submission of the report. As compared with the projected vacancy rate of 35 per cent for international staff and 15 per cent for local staff, the actual average vacancy rates during that 10-month period were 43 per cent for international staff and 25 per cent for local staff. The average vacancy rate for civilian police was 57 per cent, as compared to the projected full deployment of the civilian police by December 1999. The total average vacancy rate for civilian staff during the reporting period was 38 per cent. Consequently, while operational requirements of the Mission were 0.6 per cent higher than budgeted, civilian personnel costs were lower by 28 per cent.

7. Based on the experience gained during the early phases of the Mission, changes were made to the administrative structure of the Mission. The Office of Gender Affairs was transferred to Civil Administration and the Language Unit was transferred from the Division of Administration to report to the Principal Deputy Special Representative of the Secretary-General. Also, following recommendations of the Advisory Committee on Administrative and Budgetary Questions, the Office of Human Rights was expanded and renamed the Office of Human Rights and Community Affairs. The Civil Administration component of the Mission was restructured, following the establishment in December 1999 of the Joint Interim Administrative Structure (JIAS). Twenty departments were identified to administer the Kosovo region, with each department co-directed by an international and local co-head. Other structural changes to the Civil Administration component of the Mission included the establishment of a Monitoring Unit and an Office of Statistics. As the need for a prolonged, large-scale humanitarian role in Kosovo was not foreseen, the United Nations High Commissioner for Refugees phased out its operations in the region at the end of the period.

8. The cost estimates for the period from 10 June 1999 to 30 June 2000 did not contain provisions for the deployment of the Special Police Units. However, it was stated in paragraph 21 of document A/54/494 and Corr.1 that should some police be deployed as formed units, the related requirements would be met through the redeployment of approved resources. Beginning in March 2000, six Special Police Units from four Member States were deployed as part of the civilian police component of the Mission. The costs associated with the deployment of the six formed police units, including civilian police cost reimbursement, contingent-owned equipment and self-sustainment, alterations and renovations to premises and transport of contingent-owned equipment, were met through the redeployment of funds from the resources allocated for mission subsistence allowance.

III. Financial performance report for the period from10 June 1999 to 30 June 2000

9. As indicated in table 1 below, from the appropriation of $427,061,800 gross ($410,091,700 net) for the period from 10 June 1999 to 30 June 2000, expenditures amounted to $361,789,800 gross ($352,231,400 net), inclusive of $106,334,800 in unliquidated obligations. The resulting unspent balance of $65,272,000 gross ($57,860,300 net) represents, in gross terms, some 15.2 per cent of the amount appropriated. Annex I to the present report contains the financial performance

information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing appropriation and expenditure by main budget groups.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	2 696.2	3 934.1	(1 237.9)
Civilian personnel	216 543.4	158 172.8	58 370.6
Operational requirements	188 425.6	188 546.1	(120.5)
Other programmes[b]	2 426.5	1 578.4	848.1
United Nations Logistics Base at Brindisi	-	-	-
Support account for peacekeeping operations	-	-	-
Staff assessment	16 970.1	9 558.4	7 411.7
Gross requirements	**427 061.8**	**361 789.8**	**65 272.0**
Income from staff assessment	(16 970.1)	(9 558.4)	(7 411.7)
Net requirements	**410 091.7**	**352 231.4**	**57 860.3**
Voluntary contributions in kind (budgeted)	585.5	585.5	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**427 647.3**	**362 375.3**	**65 272.0**

[a] Includes an amount of $106,334,800 in unliquidated obligations.
[b] Excluding personnel.

10. Information on the deployment of military and civilian personnel during the reporting period is given in table 2 and annex III to the present report.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 10 June 1999 to 30 June 2000

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military liaison officers	38	33	14
Military contingents	-	-	-
Civilian police	4 718	2 015	57
International staff	1 148	576	50
National Officers	12	1	99
Local staff	3 282	2 176	34
United Nations Volunteers[a]	203	127	37

[a] In addition, 500 United Nations Volunteers were required for 3.5 months, from 15 March to 30 June 2000.

IV. Application of article IV of the Financial Regulations of the United Nations

11. In a report to the General Assembly at its thirty-third session (A/C.5/33/45) on the United Nations Emergency Force/United Nations Disengagement Observer Force (UNEF/UNDOF), the Secretary-General indicated, inter alia, that the amounts owed to troop-contributing Governments could not be paid in the time frame envisaged under financial regulation 4.3. That situation continues to be experienced in current peacekeeping operations. Consequently, over the years the Assembly has adopted special arrangements whereby appropriations required in respect of obligations owed to Governments providing contingents and/or logistic support to the mission have been retained beyond the period stipulated under financial regulations 4.3 and 4.4.

12. In the case of UNMIK, as in the case of UNEF/UNDOF and other more recent peacekeeping operations, including the United Nations Mission in the Central African Republic (MINURCA), there are currently certain amounts obligated for reimbursement to Governments for death and disability compensation, contingent-owned equipment and self-sustainment that will be required for the settlement of claims.

13. Accordingly, it is proposed that special arrangements with regard to article IV of the Financial Regulations similar to those contained in the annex to General Assembly resolution 53/238 of 8 June 1999 related to MINURCA be applied to UNMIK, as follows:

(a) At the end of the 12-month period provided for in regulation 4.3, any unliquidated obligations of the financial period in question relating to goods supplied and services rendered by Governments for which claims have been received or which are covered by established reimbursement rates shall be transferred to accounts payable; such accounts payable shall remain recorded in the special account until payment is effected;

(b) (i) Any other unliquidated obligations of the financial period in question owed to Governments for provision of goods and services rendered but not yet verified, as well as other obligations owed to Governments, for which claims have not yet been received shall remain valid for an additional period of four years following the end of the 12-month period provided for in regulation 4.3;

(ii) Claims received during this four-year period as well as approved verification reports shall be treated as provided under subparagraph (a) above, if appropriate;

(iii) At the end of the additional four-year period, any unliquidated obligations shall be cancelled and the then-remaining balance of any appropriations retained therefor shall be surrendered.

V. Actions to be taken by the General Assembly at its fifty-fifth session

14. The actions to be taken by the General Assembly in connection with the financing of UNMIK are as follows:

(a) **To decide on the treatment of the unencumbered balance of $65,272,000 gross ($57,860,300 net) for the period from 10 June 1999 to 30 June 2000;**

(b) **A decision that the special arrangements as regards article IV of the Financial Regulations of the United Nations, as detailed in paragraph 13 above, be applied to UNMIK.**

Annex I

Financial performance report for the period from 10 June 1999 to 30 June 2000: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment* [a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
I. Military personnel				
1. Military observers	1 056.2	-	1 175.2	(119.0)
2. Military contingents	-	-	-	-
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	-	-	924.4	(924.4)
(b) Self-sustainment	-	-	266.5	(266.5)
(c) Death and disability compensation	1 640.0	-	1 568.0	72.0
Subtotal, line 3	1 640.0	-	2 758.9	(1 118.9)
Total, category I	**2 696.2**	**-**	**3 934.1**	**(1 237.9)**
II. Civilian personnel				
1. Civilian police	97 427.7	-	62 983.6	34 444.1
2. International and local staff	112 601.9	-	81 632.4	30 969.5
3. United Nations Volunteers	6 513.8	-	13 556.8	(7 043.0)
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	**216 543.4**	**-**	**158 172.8**	**58 370.6**
III. Operational requirements				
1. Premises/accommodations	10 272.5	14 229.2	17 626.3	(7 353.8)
2. Infrastructure repairs	-	-	-	-
3. Transport operations	77 308.9	68 407.0	76 700.5	608.4
4. Air operations	11 376.3	-	8 905.1	2 471.2
5. Naval operations	-	-	-	-
6. Communications	46 558.5	22 778.6	43 076.4	3 482.1
7. Other equipment	31 601.9	29 715.1	30 559.5	1 042.4
8. Supplies and services	10 007.5	-	8 536.1	1 471.4
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	1 402.0	(1 402.0)
(b) Commercial freight and cartage	1 300.0	-	1 740.2	(440.2)
Subtotal, line 9	1 300.0	-	3 142.2	(1 842.2)
Total, category III	**188 425.6**	**135 129.9**	**188 546.1**	**(120.5)**

Category of expenditure	(1) Apportionment [a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1 - 3) Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	1 168.0	342.7	539.7	628.3
3. Training programmes	358.5	-	138.7	219.8
4. Mine-clearing programmes	900.0	-	900.0	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	**2 426.5**	**342.7**	**1 578.4**	**848.1**
V. United Nations Logistics Base at Brindisi	-	-	-	-
VI. Support account for peacekeeping operations	-	-	-	-
VII. Staff assessment	**16 970.1**	-	**9 558.4**	**7 411.7**
Gross requirements, categories I-VII	427 061.8	135 472.6	361 789.8	65 272.0
VIII. Income from staff assessment	**(16 970.1)**	-	**(9 558.4)**	**(7 411.7)**
Net requirements, categories I-VIII	410 091.7	135 472.6	352 231.4	57 860.3
IX. Voluntary contributions in kind (budgeted)	**585.5**	-	**585.5**	-
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total	**427 647.3**	**135 472.6**	**362 375.3**	**65 272.0**

[a] Based on appropriation provided in General Assembly resolution 54/245 A.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $2,696,200; expenditure: $3,934,100; variance: ($1,237,900)

1. The additional requirement of $1,237,900 under this heading was attributable to the need to reimburse formed police units for contingent-owned equipment ($924,400) and self-sustainment ($266,500), higher travel costs for the military liaison officers ($119,000), offset by lower requirements for death and disability compensation ($72,000).

Military observers

Apportionment: $1,056,200; expenditure: $1,175,200; variance: ($119,000)

2. The additional requirement of $119,000 under this heading resulted from the higher cost of the military liaison officers' travel. Owing to the small number of liaison officers travelling from different locations, charter flights could not be arranged. Consequently, the actual cost per trip averaged $2,700 as compared to $1,700 provided in the budget. Also, 20 additional trips took place during the period as a number of military liaison officers were assigned to UNMIK from other missions and needed to be repatriated at the end of their tour of duty.

Other requirements pertaining to military personnel

Apportionment: $1,640,000; expenditure: $2,758,900; variance: ($1,118,900)

3. The additional requirement of $1,118,900 under this heading resulted from the need for $924,400 for contingent-owned equipment and $266,500 for self-sustainment, in connection with the deployment of formed police units in the Mission area. The first unit was deployed in March 2000 and another five units were deployed during the period from April to June 2000. As the need for the deployment of the formed police units was still being evaluated during the time of budget preparation, no provision was made for this purpose in the cost estimates.

Civilian personnel

Apportionment: $216,543,400; expenditure: $158,172,800; variance: $58,370,600

4. The unutilized balance of $58,370,600 resulted from reduced requirements totalling $65,413,600 under civilian police ($34,444,100) and international and local staff ($30,969,500), which was partially offset by additional requirements for United Nations Volunteers ($7,043,000).

Civilian police

Apportionment: $97,427,700; expenditure: $62,983,600; variance: $34,444,100

5. The unutilized balance under this heading was primarily due to reduced requirements for mission subsistence allowance. This was attributable to (a) the

delayed deployment of civilian police, and (b) the deployment of some police as formed units. Although the budget provided for the payment of mission subsistence allowance to all 4,718 civilian police, no subsistence allowance was paid to the formed units. As indicated in paragraph 8 of the report, savings under this line item were redeployed to meet other needs of the formed units. The cost estimates provided for the full deployment of the civilian police by December 1999. As at 30 June 2000, the civilian police component of the Mission numbered 3,881 police, or 82 per cent of the authorized strength of 4,718. The average strength of the Civilian Police during the period was 2,015 or 43 per cent of the authorized level.

International and local staff

Apportionment: $112,601,900; expenditure: $81,632,400; variance: $30,969,500

6. The unutilized balance of $30,969,500 was attributable to higher actual vacancy rates for staff than estimated.

7. The actual average vacancy rate for international staff during the period under review was 50 per cent compared to a budgeted vacancy rate of 35 per cent. Local staff salaries were calculated at level four of a salary scale applicable for the mission area, inclusive of a 15 per cent vacancy rate. The actual average vacancy rate for local staff during the period under review was 34 per cent. In addition, 87 per cent of the local staff were recruited initially at levels two and three, whereas the cost estimates were based on level four salaries. Furthermore, only 1 National Officer out of 12 was deployed and only as of May 2000.

8. Additional requirements under other travel amounted to approximately $1 million. The original requirements contained in document A/54/494 and Corr.1 amounted to $1,354,700, consisting of expenditures of $208,100 for the period from 10 June to 31 August 1999 and cost estimates of $1,146,600 for the period from 1 September 1999 to 30 June 2000. The Advisory Committee on Administrative and Budgetary Questions recommended that this amount be reduced by $146,600 to $1,208,100. Actual expenditures totalled $2,204,700. Additional requirements related primarily to travel that was unforeseen at the time of budget preparation.

9. The main item for which additional resources were required was for travel in connection with the transport of equipment from the United Nations Logistics Base at Brindisi, Italy. The budget provided $115,071 for 12 trips by UNMIK logistics personnel as well as for convoys to drive 819 vehicles from the Base to UNMIK. Actual expenditures in relation to travel to and from the Base amounted to $461,900. The actual cost of 15 separate convoys amounted to $172,200. Furthermore, following the crash of a World Food Programme supply aircraft, and the subsequent closure of Pristina airport, it was necessary to conduct 26 supply convoys from Brindisi to Kosovo at a cost of $189,000.

10. Travel requirements for the Civilian Police Commissioner had been estimated at $4,917 for debriefing at Headquarters. Actual requirements included travel to utilize the services of forensic laboratories in Bulgaria in the conduct of criminal investigations and examinations ($62,600), travel by the Commissioner or his representative on official business to New York and locations within Europe, including accompanying the Special Representative ($46,000), as well as travel within the mission area to review and coordinate the work of UNMIK police in the various regions ($17,600).

11. Actual requirements for the travel of Civil Administration staff amounted to $80,000 compared to the budgeted amount of $26,600. Additional requirements resulted from the need for the international staff of the Joint Interim Administrative Structure (JIAS) offices to interact with European counterparts at various meetings and to discuss issues related to local governance, health and welfare, returnees, vehicle registration and identity systems and passports.

12. An amount of $7,704 was budgeted for travel of four Department of Judicial Affairs staff. Expenditures amounted to $48,900 for travel to Europe and North America to address issues related primarily to the establishment of the penal system in Kosovo. Staff visited penal institutions, initiated discussions with donors, addressed technical development issues and conducted interviews for the recruitment of international judges.

13. Requirements for senior staff of the Department of Peacekeeping Operations were estimated at $31,293 for the travel of the Under-Secretary-General and two staff. Actual requirements for Department travel amounted to $79,458 for a total of 11 trips by the Under-Secretary-General and his staff, travel by staff from the Office of Operations, by the Military Adviser, as well as five trips by staff of the Civilian Police Unit.

14. While no budgetary provision had been made for travel by staff of other departments in the Secretariat, three trips were undertaken by staff of the Department of Public Information to advise on the delivery of public information programmes ($15,981), five trips by staff of the Department of Political Affairs to advise on the preparation and conduct of municipal elections in Kosovo ($17,954) and six trips by staff of the Department of Management ($19,414). The latter included one trip by the Treasurer to review banking and cash management, three trips by staff of the Office of Human Resources Management to brief UNMIK personnel, conduct local salary surveys and to review the provision of medical services to mission personnel, one trip by the Controller to review financial management and internal control and one trip by staff of the Office of Central Support Services.

15. Other travel, amounting to $158,895, which was not foreseen at the time of budget preparation, included travel to other organizations and United Nations agencies (the United Nations Office at Geneva, the Food and Agriculture Organization of the United Nations, the North Atlantic Treaty Organization, the Organization for Security and Cooperation in Europe and the United Nations Volunteers programme headquarters in Bonn) for conferences and consultations, the travel of 10 representatives to the Phase V Working Group on contingent-owned equipment, as well as the travel of 9 members of the Security Council and 3 accompanying Secretariat staff.

United Nations Volunteers

Apportionment: $6,513,800; expenditure: $13,556,800; variance: ($7,043,000)

16. The additional requirement of $7,043,000 under this heading related to the phasing-in of 500 additional United Nations Volunteers needed for a 6.5-month period, starting 15 March 2000, to assist in the voter registration process. The need for additional United Nations Volunteers for this purpose was not foreseen at the time the budget was under preparation.

Operational requirements

Apportionment: $188,425,600; expenditure: $188,546,100; variance: ($120,500)

17. Additional requirements of $120,500 relate to an amount totalling $9,196,000 for premises/accommodation ($7,353,800), transport of contingent-owned equipment ($1,402,000) and commercial freight and cartage ($440,200), offset by reduced requirements totalling $9,075,500 for transport operations ($608,400), air operations ($2,471,200), communications ($3,482,100), other equipment ($1,042,400) and supplies and services ($1,471,400).

Premises/accommodation

Apportionment: $10,272,500; expenditure: $17,626,300; variance: ($7,353,800)

18. The additional requirement of $7,353,800 under this heading resulted from the need to construct camps and provide accommodation and storage facilities for the Special Police Units, for which no provision was made in the cost estimates. The Mission completed construction of six camps for the Special Police Units before 30 June 2000 and the construction of two more camps was under way. In order to accommodate the Special Police Units 110 ablution units, 39 soft-wall multipurpose buildings, 480 hard-wall dormitory/office modules, 420 accommodation containers and 10 kitchen sets were purchased.

19. Although no budgetary provision had been made for this purpose, it had been stated in paragraph 21 of document A/54/494 and Corr.1 that should some police be deployed as formed units, the related requirements would be met through the redeployment of approved resources.

20. The construction of prefabricated offices was also completed at headquarters, logistic support facilities and at a helicopter base at Pristina airport. These offices were used as temporary police sub-stations and to supplement police office space.

Transport operations

Apportionment: $77,308,900; expenditure: $76,700,500; variance: $608,400

21. The unutilized balance of $608,400 under this heading was attributable to reduced requirements for the purchase of vehicles, which were partially offset by higher operating costs.

22. The cost estimates provided for the purchase of 2,977 vehicles, as detailed in annex II C of document A/54/494 and Corr.1. During the reporting period, a total of 2,952 vehicles were purchased and 167 vehicles (17 passenger vehicles, 42 special purpose vehicles, 22 engineering vehicles and 86 trailers) were transferred at no cost from the United Nations Logistics Base at Brindisi. As a result of the procurement of fewer vehicles and actual lower cost of some vehicles, compared to the standard costs used in the budget estimates, an unutilized balance of $2.5 million was reported under this line item. Additionally, delays in setting up transport workshops resulted in lower requirements for workshop equipment.

23. These savings were partially offset by additional requirements for spare parts and maintenance due to extreme weather conditions, poor roads and, as a result, high accident rates for the Mission's vehicles. Operating in this harsh environment,

vehicles needed to be maintained at lower intervals of every 5,000 kilometres, causing higher turnover of the spare parts and higher maintenance costs.

Air operations

Apportionment: $11,376,300; expenditure: $8,905,100; variance: $2,471,200

24. The unutilized balance of $2,471,200 under this heading resulted primarily from the withdrawal of one helicopter on 6 November 1999. The budget was based on the hire of two medium-lift helicopters from 4 August 1999 through 30 June 2000. However, initial usage of the two helicopters and one fixed-wing aircraft in the first months was found to be insufficient to justify the continued deployment of three aircraft in the Mission. Lower expenditures were also recorded for aviation fuel in view of the fact that the cost of fuel remained under the budgeted amount of 30 cents per litre until February 2000.

Communications

Apportionment: $46,558,500; expenditure: $43,076,400; variance: $3,482,100

25. The unspent balance of $3,482,100 under this heading resulted mainly from the lower costs of commercial communications due to faster than anticipated deployment of a satellite network (VSAT) to the regions, as well as lower than expected rates for INMARSAT calls and delays in receiving charges from the providers. The unutilized balance was also attributable to the purchase of fewer telephone sets. Although the budget provided for the acquisition of 7,800 analog sets and 2,200 digital sets, only 3,200 analog sets and 600 digital sets were purchased.

Other equipment

Apportionment: $31,601,900; expenditure: $30,559,500; variance: $1,042,400

26. An unutilized balance of $1,042,400 was realized under other equipment for a number of reasons, namely, lower unit costs and the purchase of fewer quantities of EDP equipment and field defence equipment than budgeted. These reduced requirements were partially offset by the purchase of equipment needed for the camps set up for the formed special units and changes in the assumptions on which the cost estimates were based.

27. The regional procurement of office furniture and transfer by United Nations Logistics Base supply flight resulted in lower unit costs and lower freight costs.

28. Lower expenditures were reported under electronic data processing equipment due to the non-procurement of 940 desktop computers, 49 laptops, 3,376 laser jet printers, 207 high speed laser jet printers, 850 portable printers, 48 scanners, 5 plotters and 2,853 uninterruptible power supply units, as well as to the fact that some actual unit costs were significantly less than the standard costs used in the cost estimates. The average cost of servers for example was $18,000 compared to the budgeted amount of $33,000.

29. Provision had been made under observation equipment for the purchase of binoculars and night observation devices. Stocks subsequently became available at the United Nations Logistics Base and no orders for new equipment were placed.

The United Nations Logistics Base was asked to submit the equipment for technical inspection to ascertain its operational status and to arrange repairs, if necessary. The inspection took longer than expected to arrange, because of the specialist nature of the equipment, and the results of the inspection were made know only at the end of the financial period.

30. The budget provided resources under field defence equipment for the procurement of various items of police security and safety equipment. Delays in the deployment of civilian police resulted in lower expenditures under this line item.

31. Savings in respect of the above items of equipment were partially offset by equipment purchased for the formed units and the greater demands for generators and office equipment.

32. As stated in paragraph 3 above, the budget did not provide for the deployment of formed police units. The deployment of six formed units between March and June 2000 resulted in the need for various items of accommodation equipment (beds, wardrobes, lamps, desks, night tables, chairs, as well as kitchen and laundry equipment), emergency water storage tanks, septic tanks, 20 industrial-size refrigerators, 20 chest freezers, electrical transformers and air conditioners for the camps built to accommodate the formed police units.

33. The budget had been prepared on the assumption that all requirements for generators could be met from surplus stock at the United Nations Logistics Base at Brindisi, and therefore provision had only been included to cover the cost of freight. However, due to the start-up of several peacekeeping missions during the 1999/2000 fiscal year, the generators that had been planned to be obtained from the Logistics Base had to be procured commercially. Moreover, additional requirements for generators arose from the creation of a departmental structure in Civil Administration and the rapid expansion of Civil Administration and UNMIK into the municipalities. The demand for standby power in some locations had also grown to the limits of capacity of existing generators which either needed to be replaced with larger generator sets or supplementation.

34. There was also a greater demand for office equipment from the Civil Administration departments and UNMIK police than originally estimated. Furthermore, owing to the geographic distribution of staff and facilities, the sharing of large-size equipment, such as overhead projectors, heavy-duty shredders, photocopiers, among others, became impractical.

Supplies and services

Apportionment: $10,007,500; expenditure: $8,536,100; variance: $1,471,400

35. The unutilized balance of $1,471,400 under this heading resulted from the lower costs of miscellaneous services ($1,158,600) and supplies ($312,800).

36. The unutilized resources of $1,158,600 under miscellaneous services were due to the fact that the local telephone and network cabling project was charged to the alterations and renovations to premises line item, as well as to lower expenditures for data processing services, medical treatment and claims, as a result of delays in the deployment of personnel.

37. The unspent balance of $312,800 under miscellaneous supplies was due mainly to lower requirements under quartermaster and general stores. Actual expenditures averaged $15.75 per person per month compared to the standard cost of $17 used in the cost estimates.

Air and surface freight

Apportionment: $1,300,000; expenditure: $3,142,200; variance: ($1,842,200)

38. The additional requirement under this heading related mainly to the transport of contingent-owned equipment to support the rapid deployment of the formed police units. Furthermore, the actual costs of commercial freight and cartage from the United Nations Logistics Base at Brindisi were higher than projected due to the closure of Pristina airport for two months following the crash of a World Food Programme aircraft. During this period UNMIK had to rely heavily on road convoys.

Other programmes

Apportionment: $2,426,500; expenditure: $1,578,400; variance: $848,100

39. The unutilized balance of $848,100 under this heading resulted from reduced requirements for public information programmes ($628,300) and training programmes ($219,800).

Public information programmes

Apportionment: $1,168,000; expenditure: $539,700; variance: $628,300

40. The unutilized balance of $628,300 under this heading related to lower costs of the equipment procured for the television studio, the materials and supplies used by the Division of Public Information and the printing of brochures, leaflets and newsletters.

Training programmes

Apportionment: $358,500; expenditure: $138,700; variance: $219,800

41. The unutilized balance of $219,800 under this heading related to lower costs of electronic data processing and communications training and the postponement to a later date of the language and transport training.

Staff assessment

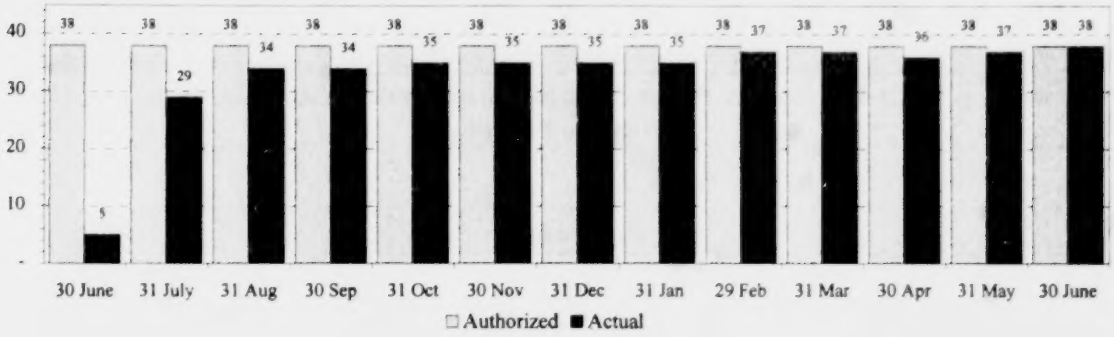
Apportionment: $16,970,100; expenditure: $9,558,400; variance: $7,411,700

42. The unutilized balance of $7,411,700 under this heading related to higher vacancy rates for international and local staff during the period under review.

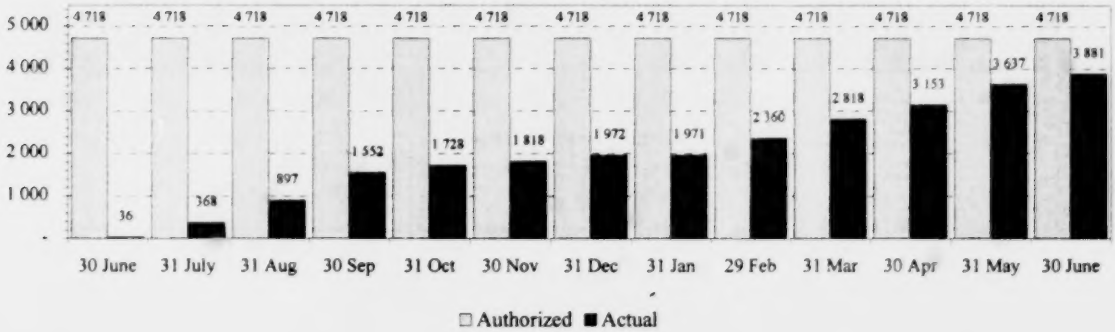
Annex III

Planned and actual deployment of civilian and military personnel for the period from 10 June 1999 to 30 June 2000

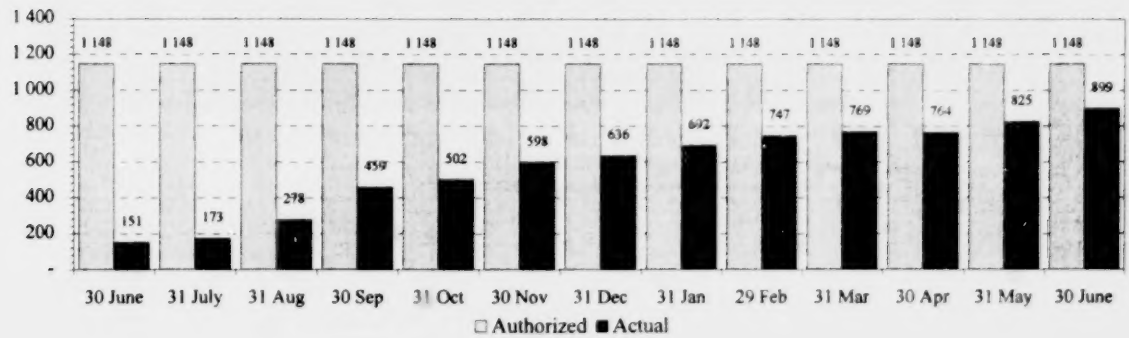
1. Military observers



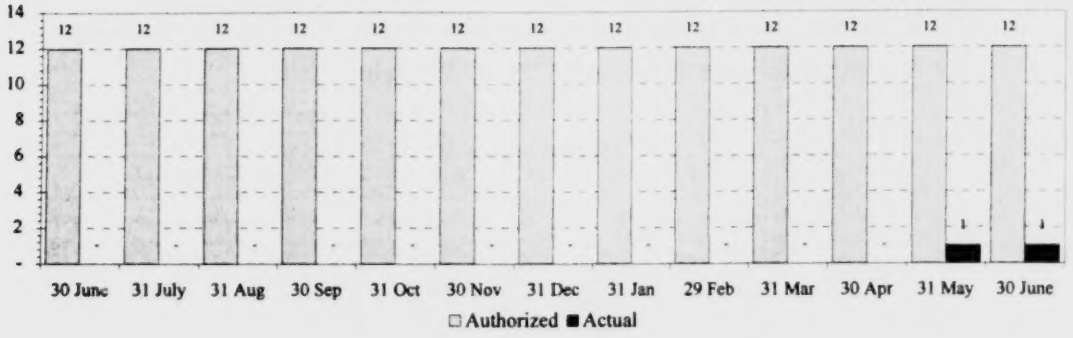
2. Civilian police



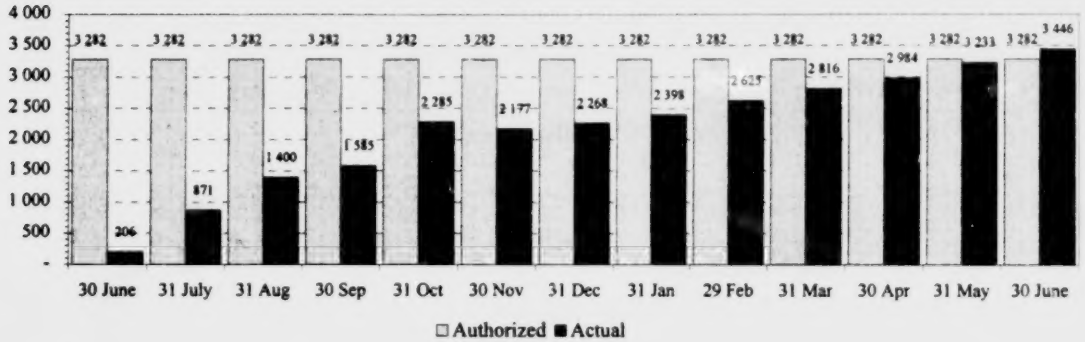
3. International staff



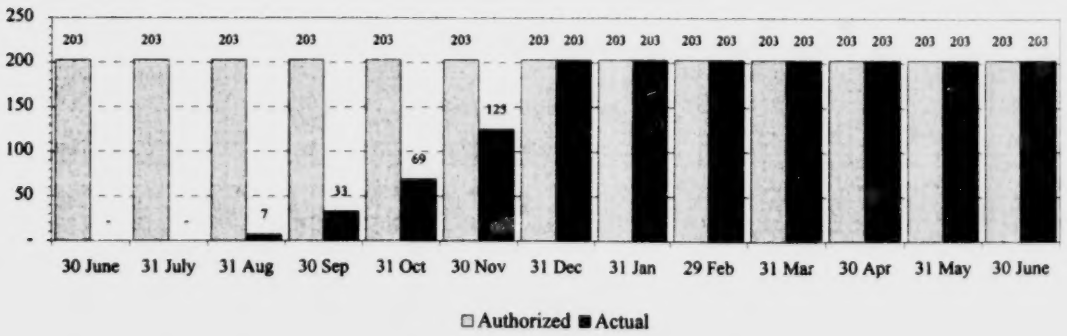
4. National officers



5. Local staff



6. United Nations Volunteers



Annex IV

Apportionment and expenditure for the period from 10 June 1999 to 30 June 2000